



**Erik Schmidt**

General Counsel

SENATE TAXATION

EXHIBIT NO. 5

DATE 3-6-07

FILE NO. SB-494

March 6, 2007

Honorable Members of the Senate Taxation Committee  
Montana Senate  
Helena, MT 59624

To the Honorable Members of the Senate Taxation Committee:

On behalf of Zoot Enterprises, Inc. ("Zoot"), I would like to express our support for Senate Bill 494, subject only to altering the definition of "Capital Stock" so that the benefits are not limited solely to publicly traded corporations (line 15 of current draft).

Zoot is a true high-tech Montana success story started by Chris Nelson, a native of Billings. We provide large financial institutions with highly configurable instant credit decisioning and loan origination systems. In 2006, we processed more than 200 million credit transactions for our clients, including seven of the top ten financial institutions in the U.S.

Zoot has over 200 employees and has set aside 30% of company stock to ensure our compensation packages remain attractive in the highly competitive software industry. The reduced long-term capital gain tax proposed in Senate Bill 494 will allow Zoot employee shareholders to benefit more from their hard work. This, in turn, will help to keep the total compensation packages of Montana companies competitive with other states. Attracting and retaining the best people in America is critical to our success.

We encourage you to support Senate Bill 494, which will help keep top talent and top companies in Montana.

Please contact me if I can assist you further.

Sincerely,